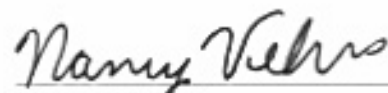


Proposed FY 2008 Budget Development Guidelines

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Monday July 31, 2006, the Board re-affirmed and approved Budget Guidelines for FY 2008:

- In accordance with the Board's Guidelines for the FY 2008 Budget, the County Executive has provided the Board with information on the FY 2008 revenue and economic outlook. This financial forecast was the framework for the County-School discussion on the budget held on July 17, 2006. Based on current market trends, it appears that growth in residential real estate assessments and overall growth in County revenues will be moderate and significantly less than that experienced in the last several years. **As a result, increases in County and School spending will be limited in FY 2008.**
- Therefore, the Board of Supervisors directs that increases in County spending, excluding School Operating, County and School Debt Service, Metro and New Facilities be held to no more than a 3% increase over the FY 2007 Adopted Budget Plan
- In addition, the Board of Supervisors further directs that the School Board and the Superintendent of Schools be provided with a target for limiting an increase to the FY 2008 County's transfer to the School Operating fund to no more than a 3.5% increase over the FY 2007 Adopted Budget Plan plus an additional \$8 million to fund the second phase of the School's Initiatives for Excellence (bringing the total increase to 4.03%). This assumes that the School Board and the Board of Supervisors continue to work together to identify and implement strategies to achieve and maintain excellent quality of County and School services. The School Board has also indicated, and the Board of Supervisors would support, that the Schools would potentially reprioritize existing resources to meet the phase-in of all-day kindergarten.
- Lastly the Board of Supervisors directs that balances at the *FY 2006 Carryover Review* and during FY 2007 be held in reserve to fund expenses in FY 2008 ensuring that non-recurring funding is dedicated to non-recurring expenditures.

A Copy - Teste:



Nancy Velts,
Clerk to the Board of Supervisors